



House Bill No. 6871

Public Act No. 15-127

**AN ACT CONCERNING MINOR AND CLARIFYING CHANGES TO
THE SUBSIDIZED TRAINING AND EMPLOYMENT PROGRAM AND
OTHER STATUTES AFFECTING THE LABOR DEPARTMENT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 31-3pp of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) For purposes of this section:

(1) "Department" means the Labor Department;

(2) "Eligible small business" means a business that (A) employed not more than one hundred full-time employees on at least fifty per cent of its working days during the preceding twelve months, (B) has operations in Connecticut, (C) has been registered to conduct business for not less than twelve months, and (D) is in good standing with the payment of all state and local taxes. "Eligible small business" does not include the state or any political subdivision thereof;

(3) "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means

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ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of said Section 267(c);

(4) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by the eligible small business, (B) an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business, or (D) a member of the same controlled group as the eligible small business;

(5) "Eligible small manufacturer" means an eligible small business described in sectors 31 to 33, inclusive, of the North American Industry Classification System, that employed not more than one hundred employees on at least fifty per cent of its working days during the preceding twelve months.

(b) (1) There is established within the Labor Department a Subsidized Training and Employment program for eligible small businesses and eligible small manufacturers. Said program shall provide grants to such businesses and manufacturers to subsidize, for the first one hundred eighty calendar days after a person is hired, a part of the cost of employment, including any costs related to training. No such business or manufacturer receiving a grant under this section with respect to a new employee or newly hired person may receive a

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second grant under this section with respect to the same new employee or newly hired person.

(2) At the discretion of the Labor Commissioner, the department may use up to four per cent of any funds allocated pursuant to section 5 of public act 11-1 of the October special session for the purpose of retaining outside consultants or the Workforce Investment Boards to operate the Subsidized Training and Employment program.

(3) [In fiscal year 2013] The department shall monitor, in a manner prescribed by the commissioner, such outside consultants or Workforce Investment Boards that operate the Subsidized Training and Employment program. At the discretion of the Labor Commissioner, the department may use up to [four] one per cent of any funds allocated pursuant to section 5 of public act 11-1 of the October special session in [said] any fiscal year for the purpose of the marketing and operation of the Subsidized Training and Employment program, and the monitoring of the outside consultants or Workforce Investment Boards retained pursuant to subdivision (2) of this subsection.

(c) (1) An eligible small business may apply to the department for a grant to subsidize on-the-job training and compensation for a new employee, where "new employee" means a person who (A) was unemployed immediately prior to employment, regardless of whether such person collected unemployment compensation benefits as a result of such unemployment, (B) is a resident of a municipality that has (i) an unemployment rate that is equal to or higher than the state unemployment rate as of September 1, 2011, or (ii) a population of eighty thousand or more, and (C) has a family income equal to or less than two hundred fifty per cent of the federal poverty level, adjusted for family size. "New employee" does not include a person who was employed in this state by a related person with respect to the eligible small business during the prior twelve months or a person employed

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on a temporary or seasonal basis by a retailer, as defined in section 42-371. No small business shall be eligible for a grant under this section for a new employee if such new employee is hired to replace a worker who (i) is currently employed by such small business, or (ii) was terminated by such small business, unless such small business demonstrates just cause for such replacement or termination, if applicable.

(2) Grants to eligible small businesses under the Subsidized Training and Employment program shall be in the following amounts: (A) For the first thirty calendar days a new employee is employed, one hundred per cent of an amount representing the hourly wage of such new employee, exclusive of any benefits, but in no event shall such amount exceed twenty dollars per hour; (B) for the thirty-first to ninetieth, inclusive, calendar days, seventy-five per cent of such amount; (C) for the ninety-first to one hundred fiftieth, inclusive, calendar days, fifty per cent of such amount; and (D) for the one hundred fifty-first to one hundred eightieth, inclusive, calendar days, twenty-five per cent of such amount. Grants shall be cancelled as of the date the new employee leaves employment with the eligible small business.

(d) (1) An eligible small manufacturer may apply to the department for a grant to be used to train and compensate persons newly hired by such manufacturer. Any training shall be provided by such manufacturer, and take place on such manufacturer's premises, but no existing formal training program shall be required. The Labor Commissioner, or said commissioner's designee, shall review and approve such manufacturer's description of the proposed training as part of the application. No small manufacturer shall be eligible for a grant under this section for a new employee if such new employee is hired to replace a worker who (A) is currently employed by such small manufacturer, or (B) was terminated by such small manufacturer,

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unless such small manufacturer demonstrates just cause for such replacement or termination, if applicable.

(2) Grants awarded to an eligible small manufacturer pursuant to this subsection shall subsidize the costs of training and compensating each person newly hired by such manufacturer. In no event shall a grant exceed the salary of the newly hired person. Maximum amounts of each grant are: For the first full calendar month a newly hired person is employed, up to two thousand five hundred dollars; for the second month, up to two thousand four hundred dollars; for the third month, up to two thousand two hundred dollars; for the fourth month, up to two thousand dollars; for the fifth month, up to one thousand eight hundred dollars; and for the sixth month, up to one thousand six hundred dollars. No grant shall exceed a total amount of twelve thousand five hundred dollars per newly hired person. A grant may be cancelled as of the date such person leaves employment with the eligible small manufacturer.

(e) (1) An eligible small business or eligible small manufacturer may apply to the department for a grant to subsidize on-the-job training for a [new apprentice] preapprentice, where ["new apprentice"] "preapprentice" means a person who is (A) a current student at a public or private high school, preparatory school or institution of higher education, ["New apprentice"] or (B) not more than eighteen years of age and employed under a written agreement with an apprenticeship program sponsor for a term of training and employment not exceeding two thousand hours or twenty-four months. "Preapprentice" does not include a person who was employed in this state by a related person with respect to the eligible small business during the prior twelve months or a person employed on a temporary or seasonal basis by a retailer, as defined in section 42-371.

(2) Grants to eligible small businesses or eligible small manufacturers under the Subsidized Training and Employment

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program shall be in the following amounts: (A) For the first thirty calendar days a [new apprentice] preapprentice is employed, one hundred per cent of an amount representing the cost of on-the-job training for [a new apprentice] such preapprentice, but in no event shall such amount exceed ten dollars per hour; (B) for the thirty-first to ninetieth, inclusive, calendar days, seventy-five per cent of such amount; (C) for the ninety-first to one hundred fiftieth, inclusive, calendar days, fifty per cent of such amount; and (D) for the one hundred fifty-first to one hundred eightieth, inclusive, calendar days, twenty-five per cent of such amount. Grants shall be cancelled as of the date the [new apprentice] preapprentice leaves his or her apprenticeship with the eligible small business or eligible small manufacturer.

(f) Not later than July 15, 2012, and annually thereafter, and January 15, 2013, and annually thereafter, the Labor Commissioner shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, appropriations, commerce and labor. Said report shall include available data, for the six-month period ending on the last day of the calendar month preceding such report, on (1) the number of small businesses that participated in the Subsidized Training and Employment program established pursuant to subsections (c) and (e) of this section, and the general categories of such businesses, (2) the number of small manufacturers that participated in the Subsidized Training and Employment program established pursuant to subsections (d) and (e) of this section, and the general categories of such manufacturers, (3) the number of individuals that received employment, and (4) the most recent estimate of the number of jobs created or maintained.

(g) The Labor Commissioner may adopt regulations in accordance

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with the provisions of chapter 54 to carry out the provisions of this section.

Sec. 2. Section 31-3uu of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) For purposes of this section:

(1) "Department" means the Labor Department;

(2) "Eligible business" means a business that (A) has operations in Connecticut, (B) has been registered to conduct business for not less than twelve months, and (C) is in good standing with the payment of all state and local taxes. "Eligible business" does not include the state or any political subdivision thereof;

(3) "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of said Section 267(c);

(4) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by an eligible business, (B) an individual, corporation, limited liability company, partnership, association or trust that is in control of an eligible business, (C) a corporation, limited liability company, partnership,

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association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of an eligible business, or (D) a member of the same controlled group as an eligible business;

(5) "New employee" means a person who (A) was unemployed prior to employment with an eligible business, regardless of whether such person collected unemployment compensation benefits as a result of such unemployment, and (B) was a member of the armed forces and was honorably discharged after not less than ninety days of service, unless such person was separated from service earlier because of a service-connected disability rated by the Veterans' Administration. "New employee" does not include a person who was employed in this state by a related person of such eligible business during any of the twelve months prior to employment with the eligible business;

(6) "On-the-job training" means training provided by an eligible business on such business' premise; and

(7) "Armed Forces" means the United States Army, Navy, Marine Corps, Coast Guard and Air Force and any reserve component thereof, including a state National Guard performing duty as provided in Title 32 of the United States Code.

(b) (1) There is established within the Labor Department an Unemployed Armed Forces Member Subsidized Training and Employment program for eligible businesses. Said program shall provide grants to eligible businesses to subsidize, for the first one hundred eighty calendar days after a new employee is hired, part of the cost of on-the-job training and compensation for such new employee, in accordance with subsection (c) of this section. No business receiving a grant under this section with respect to a new employee may receive a second grant under this section or a grant under section 31-3pp, as amended by this act, with respect to the same

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new employee.

(2) At the discretion of the Labor Commissioner, the department may use up to four per cent of any funds allocated pursuant to section 31-3vv for the purpose of retaining outside consultants or the Workforce Investment Boards to operate the Unemployed Armed Forces Member Subsidized Training and Employment program, and to provide transportation to and from the workplace, if needed, for an employee for whom a grant was awarded under subsection (c) of this section.

(3) [In fiscal year 2013] The department shall monitor, in a manner prescribed by the commissioner, such outside consultants or Workforce Investment Boards that operate the Unemployed Armed Forces Member Subsidized Training and Employment program. At the discretion of the Labor Commissioner, the department may use up to [four] one per cent of any funds allocated pursuant to section 31-3vv in [said] any fiscal year for the purpose of the marketing and operation of the Unemployed Armed Forces Member Subsidized Training and Employment program, and the monitoring of the outside consultants or Workforce Investment Boards retained pursuant to subdivision (2) of this subsection.

(c) (1) An eligible business may apply to the department for a grant to subsidize on-the-job training and compensation for a new employee hired by such business. The Labor Commissioner, or said commissioner's designee, shall review and approve such business' description of the proposed on-the-job training as part of the grant application. No eligible business shall be eligible for a grant under this section for a new employee if such new employee is hired to replace a worker who (A) is currently employed by such eligible business, or (B) was terminated by such eligible business, unless such eligible business demonstrates just cause for such replacement or termination, if applicable.

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(2) A grant awarded to an eligible business pursuant to this subsection shall be in the following amount: (A) For the first thirty calendar days a new employee is employed, one hundred per cent of the wage of such new employee, exclusive of any benefits, not to exceed twenty dollars per hour; (B) for the thirty-first to ninetieth, inclusive, calendar days, seventy-five per cent of such amount; (C) for the ninety-first to one hundred fiftieth, inclusive, calendar days, fifty per cent of such amount; and (D) for the one hundred fifty-first to one hundred eightieth, inclusive, calendar days, twenty-five per cent of such amount. A grant shall be cancelled as of the date the new employee leaves employment with the eligible business.

(d) Not later than July 15, 2013, and annually thereafter, and January 15, 2014, and annually thereafter, the Labor Commissioner shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, appropriations, commerce, veterans and labor. Said report shall include available data, for the six-month period ending on the last day of the calendar month preceding such report, on (1) the number of businesses that participated in the Unemployed Armed Forces Member Subsidized Training and Employment program established pursuant to subsection (b) of this section, and the general categories of such businesses, and (2) the number of individuals that received employment under said program.

(e) The Labor Commissioner may adopt regulations in accordance with the provisions of chapter 54 to carry out the provisions of this section.

Sec. 3. Subsection (b) of section 31-58 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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(b) "Fair wage" means a wage fairly and reasonably commensurate with the value of a particular service or class of service rendered, and, in establishing a minimum fair wage for such service or class of service under this part, the commissioner, [and the wage board,] without being bound by any technical rules of evidence or procedure, (1) may take into account all relevant circumstances affecting the value of the services rendered, including hours and conditions of employment affecting the health, safety and general well-being of the workers, (2) may be guided by such considerations as would guide a court in a suit for the reasonable value of services rendered where services are rendered at the request of an employer without contract as to the amount of the wage to be paid, and (3) may consider the wages, including overtime or premium rates, paid in the state for work of like or comparable character by employers who voluntarily maintain minimum fair wage standards;

Sec. 4. Subsection (e) of section 51-197a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(e) Except as otherwise provided in sections 2-40, 2-42, 7-143, 7-230, 8-8, 8-9, 8-132, 8-132a, 10-153e, 12-4, 13a-76, [31-63,] 31-109, 31-118, 31-249b, 31-272, 31-301b, 31-301c, 31-324, 31-491, 31-493, 38a-470, 46a-94, 46a-95, 46b-142, 46b-143, 46b-150c, 51-1a, 51-14, 51-49, 51-50j, 51-164x, 51-165, 51-197a, 51-197b, 51-197c, 51-197e, 51-197f, 51-199, 51-201, 51-202, 51-203, 51-209, 51-210, 51-211, 51-213, 51-215a, 51-216a, 52-235, 52-257, 52-259, 52-263, 52-267, 52-405, 52-434, 52-434a, 52-470, 52-476, 52-477, 52-592, 54-63g, 54-95, 54-96, 54-96a, 54-96b and 54-143, all jurisdiction conferred upon and exercised by the appellate session prior to July 1, 1983, of the Superior Court shall be transferred to the Appellate Court.

Sec. 5. Section 31-63 of the general statutes is repealed. (*Effective from passage*)

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Approved June 23, 2015